

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6580

BILL NUMBER: SB 170

NOTE PREPARED: Dec 26, 2005

BILL AMENDED:

SUBJECT: Consolidation of Marion County Government.

FIRST AUTHOR: Sen. Breaux

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill allows the Marion County City-County Council (Council) to adopt an ordinance to do the following:

- (1) Eliminate the office of township assessor in Marion County, and provide that the county assessor assumes property assessment duties and responsibilities and that the city controller administers the Dog Tax and Dog Fund.
- (2) Adjust the membership of the County Property Tax Assessment Board of Appeals in Marion County.
- (3) Provide that for purposes of township assistance, Marion County consists of the central township district (consisting of the area comprising the Indianapolis Public School District) and the consolidated township (consisting of all area within the county that is outside the Indianapolis Public School District).
- (4) Transfer assets, property rights, equipment, records, personnel, and contracts concerning the provision of township assistance to the applicable township district, and transfer other assets of the township to the county assessor or consolidated city, as appropriate.
- (5) Provide that the indebtedness of a township is assumed by the consolidated city, and provide that property taxes imposed by the consolidated city for that indebtedness are exempt from the ad valorem property tax limits.
- (6) Require township trustees and township boards representing the township districts to be elected at the first

general election following the adoption of the ordinance.

(7) Provide for a transitional advisory board to make recommendations regarding reorganization of the townships.

(8) Provide that the consolidated city is responsible for parks and recreation duties, cemetery duties, and fence duties formerly carried out by townships.

The bill also makes legislative findings concerning the need for government consolidation in Marion County and deletes the requirement that the township board and the township trustee must approve the consolidation of a township fire department in Marion County and the Indianapolis Fire Department.

Effective Date: Upon passage; January 1, 2006.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Assessor Duties:* If the Council adopts an ordinance under the bill, all responsibilities of administering the Dog Tax from the township assessor would be transferred to the city controller. The responsibility of administering the Dog Fund would also be transferred from the township trustee to the city controller. The city controller would likely experience an increase in administrative duties as a result.

In Marion County, the township assessors are currently responsible for all proposed assessment functions in their respective townships. The township assessors in Marion County have several related duties that, in other counties, are the responsibility of the county assessor. Under this proposal, if the Council adopts an ordinance, all of these duties would be ceded to the county assessor. Most, if not all, of the cost for township assessor services are already paid from the county general fund or the county reassessment fund under current law. CY 2005 appropriations for township assessors were \$5.3 M from the county general fund and \$3.3 M from the county reassessment fund, for a total of \$8.6 M.

Consolidation of Other Township Services: In addition to Dog Tax and property assessment services, under the proposal most township services would shift to the city/county level if the Council adopts an ordinance. These services include fence viewing, and cemetery, park, and detrimental plant maintenance. Each of these services would be transferred to the most closely corresponding city/county department, office, or agency. Township assistance (poor relief) services would be transferred to the new central township district for residents who live within the IPS district, and to the new consolidated township district for county residents who live outside of the IPS district.

Transitional Advisory Board: The bill includes transitional provisions for the consolidation of the county's townships. It calls for a transitional advisory board to be established not later than one month after an ordinance is adopted to consolidate the townships, to formulate recommendations regarding reorganizing the townships. The recommendations are to cover: (1) transferring township duties to the city or county; (2) providing township assistance; and (3) transferring township assessment duties to the county assessor. The board is to consist of 21 members, including township trustees, city executive appointees, city/county legislative body appointees, and county commissioner appointees. Members of the board are not entitled to

receive any salary for their service on the board, and the existing trustees' staff and budgets may be used to support the board's work.

Debt Assumption: The bill would assign all township debt, except for poor relief, to the consolidated city if the Council adopts an ordinance. In addition the consolidated city would assume any fire services-related debt held by the airport fire department and by an excluded city fire department that joins the consolidation. The 2005 total township debt levy was \$16.6 M. The only fire debt levy identified for an excluded city was \$577,000 in Lawrence Township.

Consolidation of Fire Protection Services: P.L.277-2005 allows the fire department of a township or fire protection territory to become consolidated with the city fire department if the legislative body of the township adopts a resolution, with the Trustee's consent, approving the consolidation. This bill will allow the Council to adopt an ordinance, as approved by the mayor, to consolidate one or more township fire departments without the township resolution.

Explanation of Local Revenues: *Township Consolidation:* If the Council adopts an ordinance, the bill would redirect the 66% of the eight outer townships' shares of revenue from the County Option Income Tax (COIT) to Indianapolis and Marion County. Center Township would not be affected. Sixty-six percent of the 2005 COIT revenue distributed to the eight outer townships totals \$4.7 M.

The state's Local Government Tax Control Board would review the two township districts' proposed budgets, levies, and tax rates for the year following adoption of the consolidation ordinance. The Control Board would set the budget, levy, and tax rate as if the township districts were new taxing units.

The central (Center) township district's maximum levy would be based on (a) the previous year's general fund and township assistance levies in Center Township, plus (b) 35% of the previous year's township assistance levy in the other eight townships. Based on 2005 levies, the Center Township district's maximum levy could be set at \$3.5 M.

The consolidated township district's maximum levy would be based on 65% of the previous year's township assistance levy in the eight townships. Based on 2005 levies, the consolidated township district's maximum levy could be set at \$1.2 M.

The total of the two township districts' maximum levies is estimated at \$4.7 M, using 2005 levy amounts. This amount is in contrast to the total 2005 township general and assistance fund levies of \$5.9 M. The total township district maximum levy would be about \$1.2 M less than the current levy for township general and assistance funds.

Assessor Duties: For taxes paid in the year following adoption of the consolidation ordinance, this bill would increase Marion County's maximum levy by the amount levied by the townships for assessor and related services. Most, if not all, township assessor services are currently paid from the county general fund or the county reassessment fund. There would be little or no increase in the county's maximum levy under this provision.

State Agencies Affected: Department of Local Government Finance.

Local Agencies Affected: Marion County; City of Indianapolis; Townships in Marion County; Cities of

Indianapolis, Beech Grove, and Lawrence; Town of Speedway.

Information Sources: Local Government Database; 2005 Marion County Budget.

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